

From Sen. Young

Lesley C. Carr, Esq.  
Chairperson  
Frederick E. Russell, Jr.  
Vice Chair/Secretary

Marcell R. Todd, Jr.  
Director  
M. Rory Bolger, AICP  
Deputy Director

# City of Detroit

**CITY PLANNING COMMISSION**  
202 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Phone: (313) 224-6225 Fax: (313) 224-4336  
e-mail: cc-cpc@detroitmi.gov

Brenda Goss Andrews  
Regina R. Banner  
Thomas Christensen  
Lisa Whitmore Davis  
Arthur Simons  
Dr. Darryl Totty  
Roy Levy Williams

February 26, 2012

**RE: Request to approve Senate Bill No. 146 from the Detroit City Planning Commission**

Dear Michigan Legislature:

The Detroit City Planning Commission respectfully requests the Michigan Legislature to pass Senate Bill No. 146 introduced by Senator Coleman A. Young II and referred to the Committee on Economic Development. The subject Bill would amend the Neighborhood Enterprise Zone (NEZ) Act, Act 147 of 1992, to allow NEZ tax breaks for an existing housing development within Detroit.

## Background

In 1996, the City established the Islandview Village Neighborhood NEZ to encourage new housing construction in a 61-acre area generally bounded by Kercheval, Shipherd, Lafayette, and Sheridan.

In 2004-2005, Residential Detroit, Inc. proposed to build several townhouse condominiums in the subject area and applied for NEZ certificates on behalf of future owners. As part of this development project, in January 2005, City Council recommended approval of 27 NEZ certificates for this project, which included new housing at 1500-1504 Field Street. In August 2005, Ms. Jo Ann King purchased 1504 Field Street and began receiving the 12-year NEZ tax break.

However, in 2010, it was discovered by the State that the property at 1500-1504 Field Street was, in fact, outside the Islandview Village NEZ. As a result, in December 2010, the State Tax Commission revoked the NEZ certificate for 1500-1504 Field.

In January 2012, Ms. King pleaded to the City Council for help, in part because the developer and City told her when she bought the townhouse, that her property was eligible for an NEZ tax break. The resulting tax increase has caused her mortgage to jump from \$1,623.44 to \$2,606.95 per month, which has put her in danger of foreclosure.

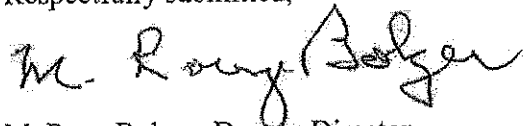
## Follow-up

In September 2012, the Detroit City Council approved the establishment of the Islandview Village NEZ #2, which includes the subject 1500-04 Field properties. However, the NEZ Act requires that applicants apply for NEZ certificates, prior to applying for building permits. Over

the years, the NEZ Act has been amended several times to "grandfather-in" projects that did not meet this requirement.

Senate Bill No. 146 would to allow the subject Field Street properties to be eligible for NEZ certificates. We look forward to a prompt response, and thank you for your assistance.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "M. Rory Bolger". The signature is fluid and cursive, with the first name "M." and last name "Bolger" clearly distinguishable.

M. Rory Bolger, Deputy Director

Christopher J. Gulock, Staff

TRUE COPY CERTIFICATE

STATE OF MICHIGAN,

ss.

City of Detroit

CITY CLERKS OFFICE, DETROIT

I, *Janice M. Winfrey*

, City Clerk of the City of Detroit, in said

State, do hereby certify that the annexed paper is a TRUE COPY OF RESOLUTION

adopted (passed) by the City Council at session of

September 4, 20 12

and approved by Mayor

September 17, 20 12

as appears from the Journal of said City Council in the office of the City Clerk of Detroit, aforesaid; that I have compared the same with the original, and the same is a correct transcript therefrom, and of the whole of such original

In Witness Whereof, I have hereunto set my hand and affixed the corporate seal of said City, at

Detroit, this 5<sup>th</sup>

day of October A.D. 20 12

CITY CLERK

*Janice M. Winfrey*



BY COUNCIL MEMBER

Jenkins

**WHEREAS**, Michigan's Public Act 147 of 1992, the Neighborhood Enterprise Zone Act ("the Act"), provides for the establishment of Neighborhood Enterprise Zones (NEZs), the exemption from *ad valorem* taxes, and the imposition of a specific property tax in lieu of *ad valorem* real property taxes within NEZs; and

**WHEREAS**, the City of Detroit meets all the distress criteria set forth within the Act; and

**WHEREAS**, the Detroit City Council finds that designation of certain areas as NEZs is consistent with the adopted Master Plan, as amended, and will further the economic and physical development goals and objectives of the City by encouraging new housing starts and housing rehabilitation, thereby aiding in the preservation of existing neighborhoods and preventing further decay in others; and


**WHEREAS**, the Detroit City Council has found the establishment of the Islandview II NEZ to be consistent with the Detroit Master Plan of Policies and the neighborhood preservation and development goals of the City; and

**WHEREAS**, the Detroit City Council has adopted a statement of goals, objectives and policies relative to the maintenance, preservation, improvement, and development of housing for all persons regardless of income level living within proposed NEZs; and

**WHEREAS**, the Detroit City Council has enacted a housing inspection ordinance requiring that before the sale of a unit in a new or rehabilitated facility for which an NEZ Certificate is in effect, an inspection is to be made of the unit to determine compliance with Chapter 26 of the Code of the City of Detroit; and

**WHEREAS**, the Act requires that the designation of NEZs must be approved by a resolution adopted by the local governmental unit subsequent to a public hearing at which any taxpayer or resident, or representative of any taxing authority levying a property tax in the City of Detroit, was given the opportunity to address the requested establishment of an NEZ; and

**WHEREAS**, a public hearing on the issue of establishing the Islandview II NEZ was conducted before the Detroit City Council on June 21, 2012, with notice of the public hearing having been given to the general public and by certified mail to every taxing authority levying a property tax with the City of Detroit; and



---

**WHEREAS**, no impediments to the establishment of the Islandview II NEZ where cited;

**NOW THEREFORE BE IT**

**RESOLVED**, that the land area described in the attached legal description, and shown on the attached map, is hereby established as the Islandview II NEZ pursuant to Public Act 147 of 1992, the Neighborhood Enterprise Zone Act.